**Ministry of**
**International Business**
**and Immigration**

# ANNUAL REPORT

April 1, 1988 to
March 31, 1989

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# Province of British Columbia
# Ministry of International Business and Immigration
# Annual Report, 1988/89

91-00103/

British Columbia Cataloguing in Publication Data
British Columbia. Ministry of Economic Development.
[Annual report (1987/88)]
Annual report. — 1987/88 -

Continues: British Columbia. Ministry of Industry and Small Business Development. ISSN 0711-5490
Report year ends March 31.
ISSN 0838-3855

1. British Columbia. Ministry of Economic Development - Periodicals.

H117.B7B732 354.7110682

**Province of British Columbia**

OFFICE OF THE MINISTER

Ministry of International Business and Immigration

Parliament Buildings
Victoria
British Columbia
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March 30, 1990

His Honour
The Honourable David C. Lam
Lieutenant-Governor of British Columbia

May It Please Your Honour:

I have the honour to submit for your consideration the annual report for the Ministry of International Business and Immigration for the year ending March 31, 1989.

Sincerely,

Elwood N. Veitch
Minister of International Business
and Immigration

Province of
British Columbia

OFFICE OF THE
DEPUTY MINISTER

Ministry of
International Business
and Immigration

1405 Douglas Street
Victoria
British Columbia
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March 30, 1990

Honourable Elwood N. Veitch
Minister of International Business
and Immigration
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Mr. Veitch:

I have the honour to submit herewith the annual report of the Ministry of International Business and Immigration for the period of April 1, 1988 to March 31, 1989.

Sincerely,

R. Lorne Seitz
Deputy Minister

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## Ministry Overview

The year 1988/89 was highly productive for the new Ministry of International Business and Immigration. Following its creation in 1988, the Ministry was organized to maximize services to British Columbia businesses and the international business community.

The creation of a separate Ministry to foster international trade and investment was intended, in part, to serve the private sector by:

- providing more comprehensive and accessible information for British Columbia companies doing business abroad;
- promoting and fostering the province's international image as an attractive area to do business; and
- attracting investment and entrepreneurial skills that are beneficial to British Columbia's economy.

The restructuring also resulted in the coordination of the Ministry's many international activities. This increased attention to British Columbia's participation in the global economy resulted in more comprehensive information being provided to businesses and the public, as well as greater success in attracting entrepreneurial skills and investment to the province.

To reflect the changing nature of the international marketplace and, as a consequence, changes in British Columbia's economy, the Ministry emphasized seven fast-growing industry sectors: aerospace, apparel and textiles, plastics, subsea, computer software, value-added wood products, and manufacturing.

The Ministry's major initiatives included:

- Taking the first steps to form the British Columbia Trade Development Corporation, a Crown corporation of the Province, in order to provide world-wide trade information services, and business training programs.
- Designing Business Immigration programs to foster economic growth and increase employment opportunities in British Columbia, which was successful in attracting $1.1 billion in investment and 4,515 new jobs to the province.
- Initiating immigration-related negotiations with the federal government to discuss terms of a Canada-British Columbia Immigration Agreement.
- The opening of the California Office in Irvine, in March, 1989 to signal the presence of British Columbia representation in the State of California.
- Establishing the Province's newest office in Singapore, in April, 1989.
- Continuing to press the Government of Canada for stronger recognition of British Columbia's objectives and interests in the formulation of federal trade policy.
- Targeting prime contractors for government projects to raise the awareness level of the capability of British Columbia industry in Ottawa.

# Investment and Immigration Division

# Investment and Immigration Division

The Investment and Immigration Division was responsible for promoting investment opportunities in British Columbia, attracting foreign investment, coordinating entrepreneurial immigration to the province, and working with the federal government to emphasize provincial views on immigration policy.

To achieve its goal of attracting selected foreign investment, the Division provided advice and assistance to prospective business immigrants to encourage investment which would have a positive economic impact on British Columbia. It also involved working with public and private sector institutions and organizations to research and design pilot projects toward the goal of diversifying the province's economy.

In addition to its ongoing effort to attract new business investment and entrepreneurial skills, the Division was also responsible for the development and management of provincial policy concerning a broad range of immigration issues of social and economic significance to the province.

The Division was composed of three branches: Investment, Business Immigration, and Immigration Policy.

## Investment Branch

To attain its goal of attracting corporate investment to British Columbia, the Branch pursued a variety of activities including investment missions and seminars abroad, as well as ongoing local contact with potential foreign investors in British Columbia. The Branch also managed and coordinated government involvement in public and private sector initiatives with medium and long-term investment objectives. Its initiatives included:

- Coordinating British Columbia's participation in two major international events: the Williamsburg Conference and the World Economic Forum. The latter, known as the World Business Summit, was attended by a British Columbia contingent led by the Premier, which had the opportunity to promote the province to a group of about 1,000 senior business leaders from around the world.
- Organizing investment-related tours of British Columbia companies on behalf of foreign corporations interested in pursuing investment and/or joint venture opportunities in the province.
- Fostering the development of Vancouver as an International Financial Centre.
- Developing provincial policy options for the expansion, management and further commercial development of the Vancouver International Airport.

## Business Immigration Branch

The primary objectives of the Branch were to increase business activity, foster economic growth, and increase employment opportunities in British Columbia. These objectives were attained through the development and application of strategies which attracted individuals with the skills, resources and desire to initiate business activities of economic benefit to British Columbia.

The Branch was successful in attracting approximately $1.1 billion in immigration related investment to the province. In 1988, 868 entrepreneurial immigrants came to British Columbia resulting in business proposals creating 4,515 new permanent jobs in the Province. This represents 28% of all entrepreneurs issued visas to Canada. As well, the Branch helped attract 156 investor immigrants to British Columbia, or 48% of Canada's total. These investors represent an aggregate $130 million of direct investment in industrial development activities in British Columbia and a potential additional investment of $175 million.

## Immigration Policy Branch

This Branch was responsible for developing policy options on immigration and providing information on provincial immigration matters to the provincial government and the public. In addition, it established an inter-ministry coordination mechanism for programs and policies related to immigration.

In 1988/89 the Branch, in consultation with the Business Immigration Branch, developed the policy for investment monitoring, compliance and reporting procedures under the Investor Program of the Immigration Act. Finally, the Branch led the Ministry on immigration-initiated discussions and negotiations with the federal government, including the terms of a Canada-British Columbia Immigration Agreement.

# International Marketing Division

# International Marketing Division

The Division managed the Province's overseas offices and served as the principle link between the Ministry, the British Columbia business community, and the representatives of provincial and federal offices involved in export development and investment promotion.

The Division was responsible for international marketing activities and coordinated the Ministry's incoming and outgoing missions and trade programs in export markets. Programs administered included the Export Assistance Program, and the Technical Assistance Program.

Specific marketing objectives established for the Division were: to promote British Columbia as an attractive place to do business; to generate maximum economic benefits for the province; to assist British Columbia companies in increasing their sales penetration into markets outside the province; and to promote British Columbia in competition with other provinces and states in securing new investments.

To meet these objectives, the Division increased British Columbia's market presence by expanding the network of overseas offices, organized incoming and outgoing trade missions aimed at introducing B.C. businesses to key foreign markets, and focussed on specific opportunities in priority industry sectors.

During the year, applications from 453 companies for Export Market Assistance, totalling $653,260, were approved which resulted in direct sales exceeding $9 million, and anticipated sales over 12 months of more than $594 million. The aerospace branch built on the preceding year's efforts with specific marketing initiatives based around Airshow Canada to be held in August, 1989, the Aerospace Industries Association of Canada (AIAC) Meeting, the publication of a specific issue of the Enterprise Magazine devoted to aerospace and a mission to Boeing Commercial Corporation in Seattle in July, 1988. Airshow Canada and the British Columbia aerospace industry were both actively promoted at the Farnborough Airshow.

With an investment mission to Hong Kong, Taiwan, and South Korea, the Province continued its promotion of British Columbia as a growing centre for the apparel industry. As a result of this specific initiative, a delegation of senior officials representing the Taiwan Textile Federation visited Vancouver to further explore investment opportunities. Consequently, a number of apparel manufacturing operations established themselves in Vancouver during 1988/89, transferring production from Asia and creating approximately 100 new jobs.

## Asia/Pacific Branch

The Asia/Pacific Branch of the International Marketing Division developed market information and intelligence based on a knowledge of the province's industrial capability and market demand. The opportunities identified were referred to the business community through counselling and developing international marketing strategies.

Major initiatives of the Branch included:

- A leisure products mission to Australia in conjunction with Expo'88 in Brisbane.
- Establishing the Province's newest office in Singapore, with an official opening involving the Minister in April, 1989.
- The hiring of a short term consultant in Australia to assess the market for British Columbia processed food products.
- The coordination and participation in the Minister's trip to Hong Kong and South Korea.

### Tokyo Office

The Tokyo Office continued to expand its efforts in seeking direct corporate investment in the province, while maintaining its secondary roles relating to trade promotion and business immigration activities. It was successful in having directly influenced in excess of $67 million of new business for the province in 1988/89, and trade promotion activities included assisting British Columbia exporters in selling $10.3 million of goods and services ranging from log homes to sport submarines.

### Hong Kong Office

During 1988/89, the Hong Kong Office was responsible for $19.6 million in investment through the Business Immigration Program. The Office dealt with a total of 403 inquiries related to trade, investment, business immigration and general information about the province. In addition, representatives of 144 British Columbia companies used the Office's services while visiting Hong Kong.

### Seoul Office

The priorities of the Seoul Office focused on assisting the province's forestry sector in selling into the South Korean market. Sales of over $21 million were influenced by the Office in this sector. Promotional activities were carried out to raise the awareness of British Columbia's investment potential and this was further enhanced by the visit of the Minister in November, 1988.

### Singapore

The Province opened a new Trade & Investment office in Singapore in January 1989. The office will have a marketing focus for the whole South East Asia region. Planning is underway for an official opening by the Minister in April 1989.

## Europe/ Middle East/Latin America Branch

The Europe/Middle East/Latin America Branch assisted British Columbia firms in their endeavors to expand their export activities in these markets, and to promote the acquisition of new technology through direct investment, joint ventures, licensing agreements and business immigration.

The Branch also helped increase the awareness and capabilities of British Columbia industries in these markets as well as provide information on growth opportunities, and acted as a link between industry and government to achieve their mutual objectives. One major initiative of the Branch was to make British Columbia businesses aware of the impact of the unification of the European Community into a single market by 1992.

The Branch was responsible for:

- Assisting Kockums Cancar in their successful bid for a $4.2 million saw mill equipment contract in Czechoslovakia.
- Organizing the Ministry's participation in the Farnborough Airshow.
- Coordinating the private sector mission to the World Economic Forum at Davos, Switzerland and organizing the participation of the Premier and the Minister at the symposium.
- Continuing support for closer commercial links between a German window manufacturing group and a number of British Columbia manufacturers in terms of technology transfer and export of remanufactured wood products.
- Identifying specific joint venture opportunities between foreign investors an d British Columbia firms.
- Organizing and leading a mining equipment mission to Chile.

### British Columbia House, London

During the course of 1988/89, B.C. House in London assisted with exports from British Columbia valued at $63 million, investment totalling $127 million, and immigration investment totalling $33 million.

The Office dealt with 820 inquiries related to trade, investment, business immigration and general information about British Columbia. In addition, upgrading of equipment and facilities was completed at B.C. House, including computerization.

The Office also organized a series of promotional activities that were held in the United Kingdom, Belgium, France, Finland, Norway, Italy, Denmark and Switzerland.

### Dusseldorf Office

During the year, a proactive program of promotional business meetings was undertaken by the European offices to raise the profile of British Columbia as a location with sound business potential, and to feature specific opportunities in the province. These promotional events were held throughout Germany and Austria.

In 1988/89, the Office assisted with immigration investment totalling $10 million, dealt with a total of 436 inquiries related to trade, investment, business immigration and general information about British Columbia. During this period, representatives of 334 B.C. companies used the services of the Office while visiting the Federal Republic of Germany. The year also saw British Columbia replace Ontario as the most desired location in Canada for business immigrants from West Germany.

## Canada/U.S. Branch

During 1988/89, the major activities of this Branch included establishing the Pacific Northwest Economic Partnership in January, opening a Trade, Investment and Tourism office in Southern California in March, and organizing successful trade missions in diverse sectorial areas such as food, apparel, electronics, software, and plastics.

The highly successful New Exporters to Border States Program (NEBS) continued and was expanded. More than 200 companies were introduced to the U.S. market. In addition to building materials, giftware, food and high technology products, specialized NEBS initiatives such as "selling to the United States Government" were added this year. Approximately 50% of the companies that participated in NEBS are now exporting to the United States.

The Pacific Northwest Economic Partnership Agreement was signed in January by Premier Vander Zalm and Governor Booth Gardner of Washington. The goals of the Partnership were to facilitate the exchange of trade related information, to deal with economic issues of mutual interest and to engage in joint marketing activities into third markets.

The most notable success under the Partnership umbrella resulted in a British Columbia/Washington State booth at the COMDEX computer show, held in Las Vegas in November, 1988. Initiatives in biotechnology, apparel and other areas are being planned.

### California Office

A Trade, Investment and Tourism Office was officially opened in Irvine, California in March, 1989. Premier Vander Zalm led a mission to California which included the Honourable John Jansen; the Minister of Tourism and Provincial Secretary, the Honourable William Reid; and a contingent of 50 members of the private sector.

This highly successful mission included establishing contact with British Columbia's universities' alumni living in Southern California, meetings with film and banking executives, Hughes Aircraft Corporation on the CAATS program, Rockwell International Inc., and shake and shingle officials. The Premier also spoke extensively to the media and hosted a luncheon for 400 influential politicians and California business people to signal the presence of British Columbia's representation in the State of California.

In addition, a major seafood marketing effort was undertaken with a number of the Province's fishery companies in early 1989. Commencing with participation in SEAFARE in Long Beach, and followed by a cross country Hake Fish promotional tour throughout the Southern United States, the mission concluded its efforts with participation at the Boston Seafood Show.

### Ottawa Office

The focus of the commercial section of B.C. House Ottawa was to assist British Columbia companies doing business with the federal government. The Office provided marketing advice and helped target the appropriate departments and officials, while also monitoring the government's capital project spending priorities.

The industry sector focus concentrated on aerospace, subsea, electronics, communications, general manufacturing and professional services.

The Ottawa Office, in coordination with other Ministry personnel, targeted the prime contractors for government projects to raise the awareness level of the capability of British Columbia industry.

# Trade and International Economic Policy Division

# Trade and International Economic Policy Division

The Trade and International Economic Policy Division served the Ministry through its development of provincial trade policy objectives with respect to trade negotiations, agreements and trade actions. It was also responsible for providing comprehensive trade and economic analysis of major trends and developments among British Columbia's major trading partners and the international economy as a whole. Both functions were aimed at supporting the Province's trade expansion objectives by enhancing trade capabilities and ensuring a stronger recognition of provincial objectives in the development of Canada's international trade and economic policy.

The Division' s initiatives included:

- Consulting with the private sector on trade negotiations, trade actions and related policy issues.
- Representing the government in federal-provincial consultations on trade and international economic policy negotiations and developments.
- Coordinating inter-ministry work on provincial compliance with international trade obligations.
- Ensuring the consistency of provincial economic policy with our international trade obligations in order to avoid retaliation against government programs by our trading partners.
- Developing provincial policies and strategies designed to achieve British Columbia's objectives and priorities in the negotiation of both international trade agreements and in the development of Canada's trade policy.
- Developing provincial strategies with respect to trade actions launched by British Columbia's private sector against foreign trade practices, or brought against provincial interests by foreign trading partners.

The Division was structured to discharge its responsibilities through two branches: the Trade Policy Branch and the International Economic Policy Branch.

## Trade Policy Branch

The Trade Policy Branch developed and acted upon a program for 1988/89 aimed at developing provincial trade positions and strategies on trade agreements, trade negotiations and trade actions, as well as promoting a stronger recognition of British Columbia's objectives and interests in the formulation of Canada's international trade policy. The Branch monitored the development of provincial legislation and programs to ensure consistency with international trade law, the policies of our major trading partners, and of international trade organizations involved in the development of trade rules (i.e. current consultation on the Uruguay Round of the GATT Multilateral Trade Negotiations [MTN] ).

With the implementation of the Canada-U.S. Free Trade Agreement (FTA), the Branch was active in assessing its impact on the province and providing interpretations and advice on the implications of the Agreement for British Columbia business. The Branch represented the government in cooperation with other relevant ministries, on matters relating to trade adjustments arising from the FTA and changes in the global trading environment. As a part of its ongoing effort to counsel the British Columbia business community about all aspects of the Agreement, the Branch operated the Free Trade Advisory Service as well as the FTA strategic planning seminar and workshop program.

In addition, the Branch represented British Columbia's interests in the development and coordination of provincial responses to trade actions, such as countervail duty cases, and liaised with those affected in the private sector.

To create a better understanding of trade issues, the Branch continued publication of its regular bulletin, The Trade Digest, for circulation to interested government officials.

## International Economic Policy Branch

The International Economic Policy Branch worked to coordinate the development of British Columbia's international trade negotiating interests and objectives. It furthered this goal by providing statistical and strategic analyses of international trade and economic developments among B.C.'s key trade and investment partners and international economic institutions.

During 1988/89, the Branch developed a new in-house trade statistics computer database (TRIP) which has allowed the rapid analysis of British Columbia's trade patterns and the production of economic profiles of our key trading partners in order to facilitate the identification of export and investment opportunities. In addition, the Branch monitored and examined developments in trade finance and incentive programs among our trading partners and within international institutions.

The Branch provided comprehensive trade and economic intelligence on British Columbia's major trading partners and international institutions involved in the development of the world economy, i.e., the World Bank and the International Monetary Fund (IMF). This resulted in an assessment of issues such as the impact of international debt, Hong Kong 1997, and the European "1992" initiative, on British Columbia's international trade and economic interests. This information was used in support of ministerial visits, trade missions, strategic analysis, and for delivery to the private sector.

The Branch provided a secretariat function for the Western Provinces Trade Ministers Working Group on the Uruguay Round of the MTN as well as producing the Western Trade Ministers' Annual Report to the Premiers.

In an effort to involve the private sector more directly in policy making, the Branch conducted private sector consultations to determine industry positions on various trade issues, such as the MTN and textile and clothing tariffs.

# Training and Information Division

# Training and Information Division

The Training and Information Division served the Provincial Government by providing businesses throughout the Province with world-wide trade information services, international business training programs, and acting as a central agency to government for business information.

The Division was divided into three branches: Business Information Centre, Export Training, and British Columbia Business Network.

## Business Information Centre Branch

The Business Information Centre acted as a centralized, up-to-date "information clearing house" designed to both receive visitors and handle communications by post, telephone, telex, facsimile, and computer modem. The Branch responded to informational requests from all parts of the Province, from every region of Canada, and from many overseas countries.

Informational topics ranged from governmental services and investment opportunities, to business management, marketing techniques, and trends in world trade. Working cooperatively at the Centre to render assistance were Information Officers representing:

- The Ministry of International Business and Immigration
- The Ministry of Regional Development
- The Discovery Innovation Centre
- The B.C. Purchasing Commission
- The Central Statistics Bureau
- Supply and Services Canada

During 1988/89, the Business Information Centre responded to more than 90,000 telephone inquiries (including approximately one-third from out of province), and received more than 47,000 walk-in visitors.

In addition, the Centre generated sales leads in export markets by publishing its first issue of Export B.C., a promotional newsletter with product profiles of 200 British Columbia manufacturers. It had a combined domestic and international circulation of over 10,000.

## Export Training Branch

In keeping with its objective to improve the international business skills of British Columbia companies, the Export Training Branch attracted over 1,500 people to its seminars held in various developmental regions of the province. These training seminars dealt with a broad range of export and world business topics, including: Marketing High-tech in Europe, Direct Mail Marketing to the U.S., and Market Research at Home and Abroad.

The Branch also implemented the use of an interactive video business program in eight secondary schools and three post-secondary schools.

## British Columbia Business Network Branch

In pursuit of its goals of promoting the awareness of entrepreneurial opportunities, and for improving the competitive position of British Columbia's exports in world markets, the Branch developed the British Columbia Business Network (BCBN). The first electronic data base system of its kind in North America, the BCBN proved to be highly effective and accessible.

In addition to providing computer-accessible information on British Columbia statistics, federal projects, government procurement, international business opportunities and trade events worldwide, the BCBN expanded its offerings to include data from the World Bank, and planned to undertake similar information sharing agreements with other major development agencies in the future.

Through 1988/89, the BCBN has steadily expanded its initial subscriber base to 400. Moreover, a quarter of these subscribers attributed some form of business success directly to their use of the BCBN. Finally, with the increasing number of on-line opportunity listings (exceeding 50,000), the Branch was able to surpass its goal of 45,000 set for the fiscal year.

# Management Operations Division

# Management Operations Division

The Management Operations Division directed the development and maintenance of management support systems to achieve optimum allocation of the Ministry's fiscal, physical, management information and human resources. It is divided into four functional areas: Financial Services, Personnel Services, Information Services, Information Systems Group and Administration Services.

## Financial Services Branch

The Financial Services Branch was responsible for developing and managing a comprehensive financial administration and management information system and for managing financial and accounting programs for purposes of asset, expenditure, and revenue control.

## Personnel Services Branch

The Personnel Services Branch was responsible for developing and coordinating a comprehensive personnel management program to ensure the enhancement and effective utilization of the Ministry's human resources. This included providing technical advice and assistance on recruitment and selection, labour relations, staff training and human resource planning.

## Information Services Group

The Information Systems Group manages and coordinates information systems operations, maintenance and development throughout the Ministry, and supports all staff in the cost-effective use of information technology. The Information Systems Group is also responsible for systems planning, systems, security, training and establishing standards.

## Administration Services Branch

The Administration Services Branch provided technical and administrative support to the Ministry in the management and control of office space, vehicle pool, furniture and equipment, records management, telecommunications, stationery and office supplies services and postal services.

# Communications and Public Affairs

# Communications and Public Affairs

As a central agency for the Ministry, the Communications and Public Affairs Branch was involved in virtually every activity undertaken by the Ministry and its agencies throughout 1988/89.

The Branch's work involved the production of publications and audiovisual materials, the preparation of communications strategies, advertising, speechwriting, media relations, event coordination and trade show management, promotions and arrangements for incoming trade missions.

Printed material was produced, and updated, for a wide variety of specific uses and a large, full-colour Investment Brochure was commissioned for initial use in British Columbia's presentation at the World Economic Forum in Davos, Switzerland. Existing audiovisual material was updated and a new promotional video, Opportunities in Pacific Canada, was produced for the Davos presentation.

The Branch was involved with an inter-Ministerial communications strategy for the Canada/U.S. Free Trade Agreement, and participated in a number of other internationally-oriented policy discussions.

While the other ongoing responsibilities maintained a steady pace, event coordination and its related aspects produced some highlights for the Branch.

Details of VIP tours were arranged for a host of groups, including a German Investors Mission, Japanese journalists, the Australian Consulate, journalists from the Netherlands, a Saudi Investment Mission, the World Bank, and the German Traffic and Transport Society.

Conference support went to numerous groups, including the Industry Development Association (IDA), the Home Based-Business Program, the Vancouver Trade and Convention Centre, the Florist Association, the Purchasing Commission's first Market Discovery, the Remotely Operated Vehicle (ROV) Conference, the Williamsburg Conference, and the Pacific Northwest Economic Partnership.

The highlights of the Branch's activities in 1988/89 were the instrumental roles it played in the Province's presentation at the World Economic Forum and the opening of the new trade and investment office in Orange County, California.

At year end the Branch was beginning to plan the communications strategy for the establishment of the B.C. Trade Development Corporation.